

22 February 2011

Australian Securities Exchange Limited
Exchange Centre
Level 4
20 Bridge St
Sydney NSW 2000

Dear Sir / Madam,

HALF YEAR REPORT AND MEDIA RELEASE

Please find attached our half year report together with a media release and associated commentary.

Yours faithfully,



Paul Freedman
Company Secretary

MEDIA RELEASE

22nd February 2011



Cedar Woods
Properties Limited

ASX Code: CWP

Cedar Woods First-Half Profit \$24.2m; Doubles Interim Dividend to 11 Cents

Cedar Woods Properties Limited

Summary:

Delivers strong first-half net profit of \$24.2m

Forecasting a full-year net profit of approximately \$27m, up 57%

Interim dividend of 11 cents (fully franked) declared; full-year payout ratio to remain at 50% of net profit

DRP and BSP in place for interim dividend

\$30m in presales at projects completing in the second half

Net debt to equity ratio of 16% at 31 December, well below the company's upper limit of 75%

\$110m bank facility in place until August 2013

Cedar Woods Properties Limited (ASX:CWP) today confirmed first-half net profit of \$24.2m (H1 2009 \$9.9m) and updated guidance for full-year net profit of approximately \$27m, an increase of 57% over the previous 12-month period.

The result reflects the improved profitability of Cedar Woods' projects in Perth and Melbourne and the robust demand that has been experienced for the company's projects during 2010, and which will continue to bolster earnings in 2011.

A significant number of development projects were completed during the first half and Cedar Woods is confident that \$30m in presales already in place will underpin second-half earnings.

In light of the strong first half, the Board has decided to pay a fully franked interim dividend of 11 cents per share, more than double the interim dividend paid a year ago (5 cents). The Board will maintain the current policy of distributing approximately 50% of full-year net profit, with the balance to be paid as a final dividend.

Managing Director Paul Sadleir said that the outlook for Cedar Woods remains positive as the company's Melbourne projects are performing well and its Perth projects continue to improve.

"We are pleased to report a strong first-half result that underpins our full-year forecast and which has allowed us to more than double the interim dividend."

"With over 95% of our sales budget achieved for this financial year, we have already started to lock away a significant number of presales for the 2012 financial year."

"In addition, our debt came down significantly in the first half. The company has a \$110m corporate facility in place until August 2013 which was drawn to only \$21m at the end of the first half, providing a low net debt-to-equity ratio of 16%."

"With a diverse portfolio of projects, the necessary approvals in place and ample funding, Cedar Woods is well placed to comfortably exceed its 10% per annum growth target in coming years, assuming reasonable market conditions."

OVERVIEW

Cedar Woods Properties Limited reported net profit of \$24.2m for the half year to 31 December 2010, more than double the \$9.9m reported in the year-earlier period.

The company's estates sold well during calendar 2010 and the first half result reflected the delivery of a number of stages underwritten by strong presales.

For the second half, the company has approximately \$30m in presales from stages expected to be delivered prior to 30 June, 2011. The company has achieved 95% of the presales it requires in order to meet its full-year profit forecast, and has already pre-sold a significant number of lots and units for delivery in the next financial year, FY2012.

Seasonality and other factors typically result in an uneven distribution of earnings between the first and second half, however management continues to focus on the achievement of earnings growth on a full-year basis. The 2011 full-year profit forecast is dependent on the completion of a small number of stages that are well advanced in terms of construction and settlement of the bulk of the associated presales. Several new stages will commence in the second half, due for completion after June 2011, contributing to earnings in FY2012.

Given these factors, the company is forecasting full-year profit for FY2011 of approximately \$27m, an increase of 57% over FY2010.

In light of the strong first half, the Board has decided to pay a fully franked interim dividend of 11 cents per share on 29 April 2011. The Board will maintain the current policy of distributing approximately 50% of full-year net profit, with the balance to be paid as a final dividend. The dividend reinvestment plan and recently announced bonus share plan will apply for the interim dividend, with shares to be issued at a 2.5% discount under both plans.

OPERATING RESULTS

The Western Australian property market was steady over the first half, although performance differed markedly from sector to sector.

The final stage at the company's 'Kestrels' estate in Perth's Northern Corridor was keenly sought and all but the last eight lots, which have yet to be released, have sold out. Similar demand has also been experienced at Cedar Woods' 'Cambridge Waters' estate in Canning Vale which also sold out, and demand improved in Baldivis and Wellard.

Cedar Woods' apartment project on the foreshore at Palm Beach, just west of the Rockingham beachfront is now nearing completion. Known as 'The Jetty' and comprising 15 luxury ocean-view apartments and a ground floor retail tenancy, the project is more than 60% sold, with completion due early in the 2012 financial year.

Development of the 'Harrisdale Green' project progressed in the first half with the initial residential stage completed. This project, in Perth's South East Corridor, is a joint venture for the development and sale of land owned by the Department of Housing. Settlement of the first lots commenced shortly after the end of the half. The first stage incorporates a builders' display village and is expected to generate over 500 dwellings over a five-year period.

Plans are being progressed for a new estate at Piara Waters in Perth, with development expected to commence in late 2011. The company now has two landholdings at Piara Waters which together are anticipated to provide 285 residential lots over three-to-four years. Planning for the Carine, Mangles Bay and Bushmead projects is progressing in accordance with anticipated timetables.

In Melbourne, strong sales and development activity continued in the first half.

Releases at Williams Landing continue to be met with keen buyer demand, demonstrated by a February release that saw 21 of 24 lots sold on the opening weekend and the balance shortly after. The project has already achieved its entire sales budget for FY2011 and a significant number of presales for FY2012. Two new stages were completed in the first half with a further stage due for completion in the second half.

At 'Carlingford' estate at Lalor in the city's northern suburbs, the company completed one stage in the first half and has another under construction for completion in the second half. All presales budgeted for FY2011 have been achieved.

At 'Banbury Village' in Footscray, the first nine stages, comprising 20 detached and semi-detached four bedroom homes and 72 townhouses, are now fully sold. The first four stages of these presold homes were delivered and settled in the first half and the balance is due for delivery in the second half of FY2011 or early FY2012. A recent release of 32 heritage apartments has also been in high demand and this stage is now 80% sold.

The company has a 2.5-hectare residential development site in Camberwell, 12 km from the Melbourne CBD, which it plans to develop into approximately 70 homes, commencing in FY2012. Known as 'Realm, Camberwell' the site is in close proximity to numerous private schools, shopping precincts and the CBD. The company received Council approval for the development in November 2010 and is on track to commence presales late in FY2011 and development in FY2012.

RESULTS AND FINANCIAL POSITION

The operating results are summarised below:

CONSOLIDATED

	Six months ended 31 December 2010 \$'000	Six months ended 31 December 2009 \$'000
Revenue	95,999	60,768
Profit before income tax expense	34,741	14,233
Income tax expense	(10,523)	(4,294)
Net profit after tax attributable to members of Cedar Woods Properties Limited	24,218	9,939

Group revenue rose 58% during the half as a result of the increase in settlement income during the period, mainly in Melbourne.

The first half result included \$0.2m for 'mark to market' gains on derivative financial instruments, and an impairment write down of \$0.8m against Cedar Woods' remaining apartments in Mandurah.

Due to increased settlement income, the company's net debt reduced from \$40.2m at 30 June to \$20.4m at 31 December, providing a net bank debt / equity ratio of 16%, under the company's target range of 20%-75%. Debt is expected to be in the range of \$50-60m at 30 June 2011.

The company's \$110m corporate finance facility with ANZ is available until 30 August 2013, providing ample capacity to fund operations and growth.

The company has Net Tangible Assets (NTA) per share of \$2.12, based on the carrying value of the properties disclosed in the half-year accounts, calculated at the lower of cost or net realisable value. The Board remains confident that the NTA per share is approximately \$6, based on a market value basis, as disclosed in recent company announcements. This figure does not take into account corporate tax payable upon the sale of the properties, the value of any other projects under consideration or the value of the company's available franking credits which are currently approximately \$30m.

The excess of the market value-based NTA over book value NTA has been driven by the continued strong performance of a number of key projects, in particular Williams Landing, together with the fact that many of the company's properties were acquired some time ago at much lower values than those now prevailing.

OUTLOOK

Economy

Nationally the economic outlook for 2011 is positive with strong employment and population growth anticipated.

The national residential property market experienced modest growth in 2010 after robust price growth in most major capitals in 2009. The wind-down of government housing/home buyer incentives and increases in interest rates by the Reserve Bank of Australia and the retail banks have recently dampened growth in the market. However, business investment is expected to rise as new resource projects get under way and this is expected to feed positively into employment and wage growth. These factors and the ongoing undersupply of new dwellings are anticipated to contribute to provide upward pressure on demand and prices in due course.

Company

Cedar Woods has a well-located portfolio with a diversity of product and its estates have continued to perform well in the current market. A large bank of presales is in place which will continue to underpin earnings for the balance of FY2011 and into FY2012. With plenty of land available with approvals in place and ample funding, the company is poised to capitalise on any upturn in the WA market.

As noted above, the first half was very strong as a result of the number of stages completed during the period. Management is primarily focussed on full-year results and variability of earnings from half to half is not unusual. A lower number of settlements are expected in the second half and the second half result will be significantly lower than the first half.

Cedar Woods is anticipating full-year net profit of approximately \$27m, representing an increase of 57% on FY2010, and the company will provide further guidance at the end of the third quarter.

Looking out to FY2012, the company has significant presales in place for delivery in that year, and management is focused on supplementing that bank of presales over the next six months. Strong demand for recent releases at the company's estates is encouraging.

In the medium term, new projects at Camberwell, Piara Waters and Carine are anticipated to contribute to earnings from FY2013 onwards.

Work continues in planning the future town centre component of the Williams Landing project. This will comprise more than 50 hectares of retail, bulky goods, commercial and high-density residential development. The State Government has recently commenced construction on the Williams Landing train station and Palmers Road freeway interchange and the train station is expected to open in 2012. The Williams Landing Town Centre provides an exciting medium-term development opportunity for the company and, subject to approvals, the first component, being the Williams Landing Retail Centre, is expected to open in 2013.

With a diverse portfolio of projects, with approvals in place, the company is well placed, assuming reasonable market conditions, to comfortably exceed its 10% per annum growth target in coming years.

For further information please contact:

Paul Sadleir
Managing Director
CEDAR WOODS PROPERTIES LIMITED
08 9480 1500

Media:
John Gardner / Dudley White
MAGNUS Investor Relations + Corporate Communication
02 8999 1010

CEDAR WOODS PROPERTIES LIMITED
APPENDIX 4D
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

1. Details of the reporting period

This report details the consolidated results of Cedar Woods Properties Limited and its controlled entities for the half-year ended 31 December 2010.

Comparatives are for the half-year ended 31 December 2009.

2. Results for announcement to the market

		Dec 2010 Half \$'000	Dec 2009 Half \$'000	Change %
2.1	Revenue from ordinary activities	95,999	60,767	Up 58%
2.2	Profit from ordinary activities after tax attributable to members	24,218	9,939	Up 144%
2.3	Net profit for the period attributable to members	24,218	9,939	Up 144%
2.4	Interim dividend per share, fully franked	11 cents	5 cents	Up 120%
	Earnings per share	39.8 cents	16.9 cents	Up 136%

Explanation

Refer to Company Announcement.

3. Net tangible assets per share

	Dec 2010	Dec 2009
Net tangible assets per share based on book values	\$2.12	\$1.72

4. Details of entities over which control has been gained or lost during the period

Nil.

5. Details of dividends

The Board has declared a fully franked interim dividend of 11 cents per share payable on 29 April 2011.

6. Dividend reinvestment plan and bonus share plan

The dividend reinvestment plan and bonus share plan are available for the forthcoming dividend.

Record date for bonus share plan - 18 February 2011 (refer notice of 3 February 2011)

Record date for dividend - 8 April 2011

Dividend reinvestment plan/ bonus share plan discount – 2.5%

7. Details of associates or joint ventures

Cedar Woods Wellard Limited is an associated entity. The company holds a 32.5% (Dec 2009: 25%) shareholding at 31 December 2010. The company increased its interest from 25% to 32.5% in March 2010. The share of the net loss from the associated entity for the half-year ended 31 December 2010 amounted to \$324,977 (Dec 2009 – profit of \$7,921).

8. Accounting for foreign entities

Not applicable.

9. Auditor's review report

No dispute or qualification exists in the auditor's review report. Refer to the attached.

Cedar Woods

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C O N T R O L L E D E N T I T I E S

H A L F - Y E A R R E P O R T - 3 1 D E C E M B E R 2 0 1 0

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

A.B.N. 47 009 259 081

Directors

William George Hames, BArch (Hons) MCU (Harvard) LFRAIA, MPIA, FAPI (Econ) – Chairman
Robert Stanley Brown, MAICD, AIFS – Deputy Chairman
Ronald Packer, BCom (UWA), AAPI, FAICD, Solicitor Supreme Court of England & Wales
Paul Stephen Sadleir, BE, MBA, AAPI, FAICD, FRICS – Managing Director
Timothy Robert Brown, BA, LLB, M.Fin Post Grad Dip (Phil) (Alternate for R S Brown)

Company Secretary

Paul Samuel Freedman BSc, CA, GAICD

Registered office and principal place of business

Level 4, 66 Kings Park Road
WEST PERTH WA 6005
Postal address: P.O. Box 788 West Perth WA 6872
Phone: (08) 9480 1500
Fax: (08) 9480 1599
Email: email@cedarwoods.com.au
Website: www.cedarwoods.com.au

Share registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Auditor

PricewaterhouseCoopers
QV1
250 St Georges Terrace
PERTH WA 6000

Securities exchange listing

Cedar Woods Properties Limited shares are listed on the Australian Securities Exchange Limited.

ASX Code

CWP

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Cedar Woods Properties Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2010.

1. Directors

The following persons were directors of Cedar Woods Properties Limited during the whole of the half-year and up to the date of this report:

William George Hames (Chairman)
 Robert Stanley Brown (Deputy Chairman)
 Ronald Packer
 Paul Stephen Sadleir (Managing Director)
 Timothy Robert Brown (Alternate for R S Brown)

2. Review of operations

The principal activities of the group in the course of the half-year ended 31 December 2010 were that of property investor and developer and no significant change in the nature of those activities has taken place during that period.

A summary of consolidated revenues and results for the half-year ended 31 December 2010 is set out below:

	2010	2009
	\$'000	\$'000
Revenue	95,999	60,768
Profit before income tax expense	34,741	14,233
Income tax expense	(10,523)	(4,294)
Net profit attributable to members of Cedar Woods Properties Limited	24,218	9,939

During the half-year the group continued the sale of lots and units at its residential projects in Western Australia and Victoria.

The group's earnings from period to period are dependent upon the timing of the settlements in each development. Management's focus is primarily on the achievement of full year results and the distribution of profits between half-years may from time to time be uneven due to the timing of settlements of significant projects.

3. Auditor's independence declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is set out on page 5.

4. Rounding of amounts

The group is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.

A handwritten signature in black ink that reads "William G Hames." The signature is written in a cursive style with a prominent initial 'W'.

W G Hames
Chairman

Perth, Western Australia
21 February 2011



Auditor's Independence Declaration

As lead auditor for the review of Cedar Wood Properties Limited for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cedar Wood Properties Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Pierre Dreyer', is written over a light blue circular stamp.

Pierre Dreyer
Partner
PricewaterhouseCoopers

Perth
21 February 2011

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

**DIRECTORS' DECLARATION
31 DECEMBER 2010**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that Cedar Woods Properties Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



W G Hames
Chairman

Perth, Western Australia
21 February 2011



Independent auditor's review report to the members of Cedar Wood Properties Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cedar Wood Properties Limited, which comprises the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Cedar Wood Properties Limited Group (the consolidated entity). The consolidated entity comprises both Cedar Wood Properties Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cedar Wood Properties Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

PricewaterhouseCoopers, ABN 52 780 433 757
QV1, 250 St Georges Terrace, GPO BOX D198, PERTH WA 6840
DX 77 Perth, Australia
T +61 8 9238 3000, F +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



**Independent auditor's review report to the members of
Cedar Wood Properties Limited (continued)**

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the company for the half-year ended 31 December 2010 included on Cedar Wood Properties Limited's web site. The company's directors are responsible for the integrity of the Cedar Wood Properties Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cedar Wood Properties Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in dark ink, appearing to read 'Kruschinski', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read 'Pierre Dreyer', written in a cursive style.

Pierre Dreyer
Partner

Perth
21 February 2011

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010**

	NOTE	31 December 2010 \$'000	30 June 2010 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		464	527
Trade and other receivables		2,097	751
Inventories		39,576	36,650
Deferred development costs		9,877	4,616
Total current assets		52,014	42,544
Non-current assets			
Receivables		8,131	7,362
Inventories		127,612	148,124
Investment accounted for using the equity method		3,432	3,757
Available-for-sale financial assets		16	15
Derivative financial instruments		678	510
Property, plant and equipment		961	1,018
Investment properties		2,069	2,094
Other		636	233
Total non-current assets		143,535	163,113
Total assets		195,549	205,657
LIABILITIES			
Current liabilities			
Trade and other payables		7,415	28,061
Other financial liabilities	3	21,540	19,475
Current tax liabilities		5,951	1,962
Provisions		5,669	5,526
Total current liabilities		40,575	55,024
Non-current liabilities			
Borrowings	4	20,436	40,243
Deferred tax liabilities		4,057	1,543
Provisions		67	57
Total non-current liabilities		24,560	41,843
Total liabilities		65,135	96,867
Net assets		130,414	108,790
EQUITY			
Contributed equity	6	42,894	40,447
Reserves		672	874
Retained profits		86,848	67,469
Total equity		130,414	108,790

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

Consolidated	NOTE	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2009		34,849	1,148	57,281	93,278
Total comprehensive income for the half-year		-	-	9,939	9,939
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		3,999	-	-	3,999
Transfers from reserves to retained profits		-	(13)	13	-
Dividends provided for or paid	5	-	-	(4,077)	(4,077)
Employee share plan reserve		280	(280)	-	-
		4,279	(293)	(4,064)	(78)
Balance at 31 December 2009		39,128	855	63,156	103,139
Balance at 1 July 2010		40,447	874	67,469	108,790
Total comprehensive income for the half-year		-	1	24,218	24,219
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs		2,257	-	-	2,257
Transfers from reserves to retained profits		-	(13)	13	-
Dividends provided for or paid	5	-	-	(4,852)	(4,852)
Employee share plan reserve		190	(190)	-	-
		2,447	(203)	(4,839)	(2,595)
Balance at 31 December 2010		42,894	672	86,848	130,414

The above consolidated statement of changes in equity should be read in conjunction
with the accompanying notes.

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Half-year	
	2010	2009
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	103,558	67,162
Payments to suppliers and employees (inclusive of goods and services tax)	(75,405)	(45,458)
Interest received	309	270
Borrowing costs	(2,748)	(2,247)
Income taxes paid	(4,020)	(3,743)
Net cash inflows from operating activities	21,694	15,984
 Cash flows from investing activities		
Proceeds from repayment of employee share loan	5	18
Loans to associated entity	(33)	(7,278)
Payments for property, plant and equipment	(39)	(63)
Net cash outflows from investing activities	(67)	(45)
 Cash flows from financing activities		
Repayment of borrowings	(19,097)	(9,646)
Share issue transaction costs	-	(75)
Dividends paid	(2,593)	-
Net cash outflows from financing activities	(21,690)	(16,999)
 Net decrease in cash and cash equivalents	(63)	(1,060)
Cash and cash equivalents at the beginning of the half-year	527	1,583
Cash and cash equivalents at the end of the half-year	464	523

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2010**

1. BASIS OF PREPARATION OF HALF-YEAR STATEMENT

This general purpose financial report for the interim half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Segment reporting

The group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires the disclosure of information to enable users of the financial statements to evaluate the nature and financial effects of the business activities in which the group engages and the economic environments in which it operates. The group currently has one business segment, property development, and one geographical segment, Australia.

2. REVENUE

	Half-year	
	2010	2009
	\$'000	\$'000
From operations		
Sale of land and buildings	94,250	59,433
Management fees and commissions	394	457
Lease income	303	246
Interest	1,052	631
Total revenue	95,999	60,767

3. CURRENT LIABILITIES – OTHER FINANCIAL LIABILITIES

	31 December	30 June
	2010	2010
	\$'000	\$'000
Due to vendor of Camberwell property under contract of sale	21,540	19,475

4. NON-CURRENT BORROWINGS

On 19 August 2010 the group executed facility documents for a new \$110,000,000, 3 year finance facility with ANZ Bank. Commencement of the new facility occurred on 31 August 2010.

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2010 (CONTINUED)**

5. DIVIDENDS

	Half-year	
	2010	2009
	\$'000	\$'000
Ordinary shares		
Dividends provided for or paid during the half-year:		
Paid in cash	2,593	-
Satisfied by shares under the dividend reinvestment plan	2,257	4,007
Applied to employee share plan loans	2	70
	4,852	4,077

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half year the directors have recommended the payment of an interim dividend of 11 cents per fully paid ordinary share (2009 – 5 cents), fully franked based on tax paid at 30%. A final dividend is also expected to be paid following the completion of the financial year.

6. CONTRIBUTED EQUITY

The movements in the share capital account during the period were:

	Half-year	
	2010	2009
	\$'000	\$'000
Share capital at the beginning of the reporting period – 60,564,676 (2009 – 58,163,204) ordinary shares	40,447	34,849
Shares issued pursuant to dividend reinvestment plan – 735,152 (2009 – 1,829,552) ordinary shares issued at \$3.07 (2009 - \$2.19) each	2,257	4,007
Cost of issuing equity	-	(53)
Vesting of shares issued under the 2008 Employee Share Plan – 84,733 (2007 Plan – 69,330) ordinary shares at \$2.24 (2007 Plan - \$4.69)	190	325
Share capital at the end of the reporting period – 61,384,561 (2009 – 60,062,009) ordinary shares	42,894	39,128

7. CONTINGENT LIABILITIES

At 31 December 2010 bank guarantees totalling \$6,346,439 (30 June 2010 - \$10,673,000) had been provided to various state and local authorities supporting development and maintenance commitments.

CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2010 (CONTINUED)**

8. SEGMENT INFORMATION**(a) Description of segment**

Management has determined the operating segment based on the reports reviewed by the Managing Director that are used to make strategic decisions.

The group operates a single business in a single geographic area and hence has one reportable segment. The group engages in property investment and development which takes place in Australia. The group has no separate business units or divisions.

The internal reporting provided to the Managing Director includes key performance information at a whole of group level. The Managing Director uses the internal information to make strategic decisions, based primarily upon the expected future outcome of those decisions on the group as a whole. Material decisions to allocate resources are generally made at a whole of group level.

Revenues from external customers

	Half-year	
	2010	2009
	\$'000	\$'000
Sale of land and buildings in Australia, management fees and lease income	94,947	60,136

The group sells products to the public and is not reliant upon any single customer for 10% or more of the group's revenue.

Assets

All of the group's assets are held within Australia.

Measures of performance

The Managing Director assesses the performance of the operating segment based on the net profit after tax, earnings per share and net tangible assets per share.

9. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 17 January 2011 the group completed the acquisition of a parcel of land at Camberwell, Victoria at a cost of \$23.79 million (including GST), of which \$2.25 million was paid by way of deposit prior to 31 December 2010.